

1997-98 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Joint Committee on
Finance
(JC-Fi)

Sample:

- Record of Comm. Proceedings
- 97hrAC-EdR_RCP_pt01a
- 97hrAC-EdR_RCP_pt01b
- 97hrAC-EdR_RCP_pt02

- Appointments ... Appt
-
- Clearinghouse Rules ... CRule
-
- Committee Hearings ... CH
-
- Committee Reports ... CR
-
- Executive Sessions ... ES
-
- Hearing Records ... HR
-
- Miscellaneous ... Misc
- 97hr_JC-Fi_Misc_pt06k_DPR
-
- Record of Comm. Proceedings ... RCP
-

Joint Finance

16.515/14.505
14 Day Passive
Reviews

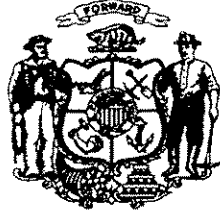
7/25/97 —
12/4/97

Building Commission
10/30/17

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

Room LL 1 MLK
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
SCOTT JENSEN

315-N Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 264-6970

JOINT COMMITTEE ON FINANCE

October 31, 1997

Secretary Robert Brandherm
State of Wisconsin Building Commission
101 East Wilson Street
P.O. Box 7866
Madison, Wisconsin 53707

Dear Secretary Brandherm:

We are writing to inform you that the members of the Joint Committee on Finance have reviewed your request, dated October 8, 1997, pursuant to s. 13.48(14)(d)(4), Stats., concerning the sale of the federally-owned Employment Security Building in Racine to the Gospel Lighthouse Pentecostal Church of God, Inc, for \$125,000.

No objections to this request have been raised. Accordingly, the request is approved.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of Scott Jensen in black ink.

SCOTT JENSEN
Assembly Chair

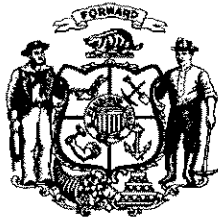
cc: Members, Joint Committee on Finance
Jay Huemmer, Department of Administration
Bob Lang, Legislative Fiscal Bureau

BB:SJ:jc

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

Room LL 1 MLK
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
SCOTT JENSEN

315-N Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 264-6970

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative Scott Jensen
Co-Chairs, Joint Committee on Finance

Date: October 14, 1997

Re: 14 Day Passive Review of a Proposal for the Sale of Surplus Property

Attached please find a copy of a proposal from Secretary Brandherm concerning the sale of the federally-owned Employment Security Building in Racine to the Gospel Lighthouse Pentecostal Church of God, Inc, for \$125,000. Pursuant to s. 13.48(14)(d)(4), Stats., the Building Commission is required to notify the Joint Committee on Finance of its intention to sell or transfer a parcel of surplus land having a fair market value of at least \$20,000.

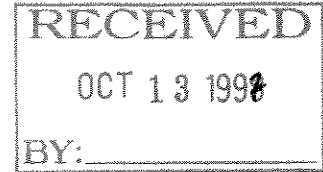
Please review the attached materials and notify **Senator Burke** or **Representative Jensen** no later than **Thursday, October 30, 1997**, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

BB:SJ:jc
Attachment



State of Wisconsin \ BUILDING COMMISSION



Tommy G. Thompson
Governor

Robert N. Brandherm
Secretary

101 E. WILSON ST.
P.O. BOX 7866
MADISON, WISCONSIN 53707

October 8, 1997

The Honorable Brian Burke, Chair
The Joint Committee on Finance
107 South State Capitol
Madison, WI 53702

The Honorable Scott Jensen, Chair
The Joint Committee on Finance
107 South State Capitol
Madison, WI 53702

Dear Senator Burke and Representative Jensen:

RE: Sale of Surplus Property
Employment Security Building – Racine

This request is submitted as required by s. 13.48(14)(d)(4) as a notification of the intent to sell the federally-owned Employment Security Building at 618 Sixth Street, Racine to the Gospel Lighthouse Pentecostal Church of God, Inc. at the price of \$125,000. There have been two private appraisals of the property, one at \$110,000 and one at \$135,000. We believe the option price to be representative of the value of the building. Since this is a federally-owned building, proceeds of the sale will be returned to the U.S. Department of Labor.

The building is surplus to the needs of the Department of Industry, Labor and Human Relations (Workforce Development) because of the use of a telephone/computer system referred to as Telephone Initial Claims, which reduces the need for Unemployment Insurance offices in the state. The department's Jobs, Employment and Training Services Division has already been relocated to the Racine Workforce Development Center.

The Building Commission approved this request on Wednesday, September 17, 1997. A copy of the agency request is attached for additional background information.

The U.S. Department of Labor has also approved this request.

We understand that s. 13.48(14)(d)(4) provides 14 working days for review by the Joint Committee on Finance and would appreciate a letter approving the sale or scheduling a hearing on this matter so that, if approved, the department and Gospel Lighthouse Pentecostal Church of God, Inc. can proceed with the closing. Please feel free to call me at 266-1031 if you have any questions regarding this transaction.

Sincerely,

Robert N. Brandherm
Secretary

DRW:RNB:amm

Attachment

cc: Robert Lang, Legislative Fiscal Bureau

Agency Request for
State Building Commission Action
September 17, 1997

Requesting Agency: Department of Workforce Development

Requested Action:

Approval to sell the federally owned Employment Security (Reed Act) building, 618 Sixth Street, Racine which has housed the local offices of the Unemployment Insurance (UI) and Workforce Excellence (formerly Jobs, Employment and Training Services (JETS) Divisions.

Source of Funds: Only federal funds are involved.

Explanation:

The building had been occupied by the UI division's claimstaking staff. They vacated the Racine building in June, 1996. With the department's 1996 change to handle claims for UI via a sophisticated telephone/computer system referred to as Telephone Initial Claims, there is no longer a need for most UI offices in the state.

The department's Workforce Excellence Division (DWE) staff had been housed in another building in Racine and moved to the Racine Workforce Development Center in 1996. The DWE staff needed to be co-located in a "one-stop" job center in order to provide effective services in a coordinated manner with other local related agencies. The department's Sixth Street building was not suitable location for the job center.

The building was constructed in 1960 at a cost of \$189,444 solely with federal funds.

U. S. Department of Labor approval to sell the building has been requested and is expected.

Proceeds from the sale are expected to be returned to the federal government.

The sale of this building is part of a long-term plan by the department to sell six of its remaining eight Employment Security (Reed Act) buildings constructed in the 1960's with federal funds. Generally the buildings are no longer large enough to meet program needs of co-locating DWD services with other agencies in "one-stop" Job Centers and are no longer needed for taking unemployment insurance claims. In addition, most of the buildings selected for sale would require substantial renovations in order to replace aging and failing HVAC systems. The department has already sold its buildings in Wausau, Madison, Kenosha, Janesville, Manitowoc and LaCrosse. We will likely be offering our buildings in Sheboygan, Ashland, Green Bay, Eau Claire and Superior for sale in the future.

The Department has followed State of Wisconsin procedures to sell the property.

The property was offered for sale to other governmental agencies, state and local. We then listed the property for sale with the commercial real estate firm The Rifken Group, Inc. on September 10, 1996. The listing was extended on March 6, 1997, for another six months. Rifken was selected in a state-wide procurement process. Rifken marketed the property with local advertising, mailings and contacts with local commercial real estate firms.

The department obtained two independent appraisals by MAI appraisers in May, 1997. Copies of their valuations of the building are included as attachments A and B. The estimated market value established by the appraisers is as follows:

Wade E. Graves & Co., Kenosha	\$110,000
Wade E. Grave, MAI	
The Appraisal Resource Group, Inc., Milwaukee	\$135,000
Jeffery G. Pyzyk, MAI	

The average of the two appraisals is \$122,500.

The offer from The Gospel Lighthouse Pentecostal Church of God, Inc. dated July 15, 1997, is for \$125,000, see Attachment C.

The department has accepted, pending approval by the State Building Commission, the U. S. Department of Labor, and the Joint Finance Committee The Gospel Lighthouse Pentecostal Church of God, Inc. offer for \$125,000.

The department believes the offer from The Gospel Lighthouse Pentecostal Church of God, Inc. is reasonable and should be accepted. The property has been actively marketed for eleven months and this is the first and only offer on the property.

The department had previously listed the building for sale at a higher price based on initial appraisals conducted in early 1996. Those appraisals were based on sales comparisons dating from June 1990 to September 1995.

Our listing real estate broker conducted a survey of commercial buildings in the area. The spring 1997 survey found 35% of the commercial buildings in the neighborhood of our building to be vacant. We decided to order additional appraisals based on the results of that survey. Those appraisals by Graves and the Appraisal Resource Group found that our listing price was "excessive based on the market value found in this report", that there was "limited sales activity" in the area and found commercial vacancy rates in the 25% to 50% range.

The offer is subject to finance and inspection contingencies and DWD has agreed to reimburse the buyer for up to \$5,000 in any necessary electrical, plumbing, HVAC and roofing repairs.

The department has disclosed the following to potential buyers:

1. The HVAC system and roof are original and may need repair or replacement.
2. There is no elevator so the basement area does not meet ADA accessibility standards.
3. There may be some asbestos in floor tiles and/or mastic and in some pipe coverings.
4. Some wiring to some electrical light fixtures is showing evidence of becoming brittle and may need replacement, especially if light fixtures are replaced.

A real estate broker commission of 5.990% will be payable to the Rifken Group from the sales proceeds upon closing, in accordance with the contract for Real Estate Broker Services, # C562.

Attachments

- A - Wade E. Graves & Co. appraisal report
- B - The Appraisal Resource Group, Inc. appraisal report
- C - Accepted offer from The Gospel Lighthouse Pentecostal Church of God, Inc.

File Ref: msword/racblbcm.doc

Wade E. Graves & Co.

Real Estate Appraisers & Analysts



Wade E. Graves, MAI

June 2, 1997

Ms. Linda Stewart, Secretary
Department of Workforce Development
201 East Washington Avenue
Madison WI 53703

RE: Appraisal of Subject Property: Office Building, 618 Sixth Street, City of Racine,
Wisconsin.

Dear Ms. Stewart:

In accordance with your request, I have made a *complete self-contained appraisal report* of the above referenced subject property. See the addenda section of this report for the complete legal description of the subject property.

The subject property is an approximately 0.1882 acre, or approximately 8,200 square foot tract of land located on the north line of Sixth Street in the downtown area of the City of Racine, Wisconsin. The site has approximately 57 feet of frontage on the north line of Sixth Street. The property is currently improved with an approximately 10,000 square foot one-story masonry with commercial building, asphalt paved parking with six parking spaces. The commercial building has approximately 5,000 square feet of open office area on the first level and approximately 5,000 square feet with separate office spaces on the second level. The building has some deferred maintenance. The building is currently vacant and available for sale.

The subject site has all public utilities available through the City of Racine.

According to the flood insurance rate map Community Panel No. 555575A, H & I No. 5 available by the Federal Emergency Management Agency, the subject property is located in Zone C and is not in the flood plain area. Additionally, the site is not in a wetlands area.

At the time of the physical inspection of the subject property, the site did not appear to have environmental problems. However, the interior of the building appears to have asbestos tiles and asbestos-wrapped pipes, which need to be remediated.

The purpose of this appraisal is to estimate the market value of the subject property. Market value means "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus," (USPAP, 1992 edition).

ATTACHMENT B

**THE
APPRAISAL
RESOURCE
GROUP, Inc.**

225 East Mason Street, Suite 402 Milwaukee, Wisconsin 53202

Phone: (414) 271-9890 Fax: (414) 271-9899

June 5, 1997

Linda Stewart
Secretary
Department of Workforce Development
State of Wisconsin
201 East Washington Avenue
Madison, Wisconsin 53703

Dear Ms. Stewart:

Pursuant to your request, we have completed an appraisal of the office building located at 618 6th Street, in the City of Racine, Racine County, Wisconsin.

The appraised property consists of a one-story office building containing an above ground area of approximately 5,160 square feet, situated on a 7,963 square feet site. The building includes a full, finished basement.

The appraisal was conducted for the purpose of expressing an opinion of the fee simple Market Value of the property under market conditions prevailing as of May 28, 1997. The function of the appraisal is to provide a benchmark for internal planning purposes.

Market Value, as used in this report is defined as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus.

The appraised property is the fee simple ownership in the land and improvements. Furniture and fixtures, and any other tangible or intangible assets are excluded from consideration in this report.

State of Wisconsin

June 5, 1997

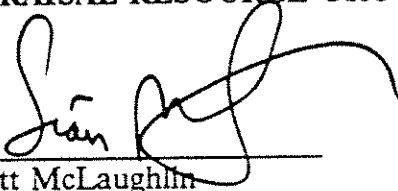
Page 3

We have not investigated matters with respect to the title of the property, nor have we investigated any matters with respect to liens, liabilities, or other encumbrances against the property. We certify that neither The Appraisal Resource Group, Inc. nor any of its employees or assigns have a financial interest in the appraised property and that the compensation received for this study is not contingent on any stated conclusions.

Respectfully submitted,

THE APPRAISAL RESOURCE GROUP, INC.

by:

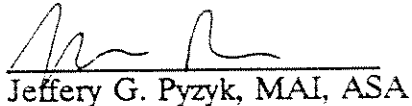


Scott McLaughlin

Wisconsin Certified General Appraiser #646

6-5-97
(Date)

Reviewed by:



Jeffery G. Pyzyk, MAI, ASA

President

Wisconsin Certified General Appraiser #41

6/5/97
(Date)

COUNTER-OFFER

Counter-Offer No 1 by (Buyer/Seller)

ATTACHMENT C

1 The Offer to Purchase dated March 20, 1997
2 and signed by Buyer, The Gospel Lighthouse Pentecostal Church of God, Inc.
3 for purchase of real estate at 618 Sixth Street, Racine, WI ("the Property")
4 _____ is countered.
5 All terms and conditions remain the same as stated in the Offer to Purchase except the following:
6 ~~[Caution: This Counter-Offer does not include the terms or conditions in any other Counter-Offer unless incorporated by~~
7 ~~reference.] This Counter-Offer incorporates the terms and conditions of Seller's Counter-~~
8 ~~Offer, dated 6/12/97 except for the following:~~
9 1) Buyer shall have conducted an environmental evaluation and a building inspection (see
10 lines 254-263 of the Offer) and any work reasonable to make the Property operational.
11 Said work shall include, but not be limited to, electrical, plumbing, HVAC, and
12 roofing.
13 2) Seller shall reimburse Buyer for an amount not to exceed \$5,000 for costs incurred by
14 Buyer in satisfying the aforementioned condition 1). Seller's agreement to said
15 reimbursement is contingent upon Buyer submitting any and all relevant estimates for
16 evaluations, inspections, and/or necessary work to Seller, and Seller granting written
17 approval to said estimates prior to commencement of work. If Seller is unwilling to
18 give said approval within 5 business days of receipt of said estimates, Buyer may
19 terminate this Offer, which shall become null and void and of no further effect
20 whatsoever and Buyer's earnest money shall be refunded.
21 3) Said reimbursement, once approved, shall be binding regardless of whether or not the
22 transaction contemplated herein closes.
23 4) Buyer shall promptly provide to Seller copies of all documentation - including, but
24 not necessarily limited to, environmental evaluations and building inspections - for
25 which Seller has agreed to reimburse Buyer.
26 5) "60" on line 264 of the Offer is changed to "90". Buyer intends to satisfy the
27 environmental evaluation and building inspection expeditiously but desires the assurance
28 of sufficient time to satisfy said contingencies without necessitating an amendment.
29 Any warranties and representations made in this Counter-Offer survive the closing of this transaction.

30 This Counter-Offer is binding upon Seller and Buyer only if a copy of the accepted Counter-Offer is delivered to the party making the
31 Counter-Offer on or before 7/18/97 (Time is of the Essence). Delivery of the accepted
32 Counter-Offer may be made in the following ways: (1) by depositing a copy of the accepted Counter-Offer postage or fees prepaid in the
33 U.S. mail or a commercial delivery system addressed to Mr. Joseph Schimanski
34 at 5540 Citation Lane, Racine, WI 53405
35 (2) by personal delivery to the party making the Counter-Offer, or (3) by electronic transmission of the accepted Counter-Offer to the following
36 telephone number: (414) 681-9166.

37 The party making this Counter-Offer may withdraw the Counter-Offer prior to acceptance and delivery as provided in lines 31-36.

38 Date: _____ Time: _____ a.m./p.m. Joseph E. Ogden
39 _____ (Seller/Buyer)

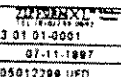
40 This Counter-Offer was drafted by (Licensee and Firm):
41 Eric E. Ogden Social Security No. 390-58-4676
42 THE RIFKEN GROUP, LTD.
43 P.O. Box 2079, Madison WI 53701-2079
44 _____ Social Security No. 399-52-2456

Acceptance of Counter-Offer

45 The above Counter-Offer is accepted.
46 This Counter-Offer was presented by (Licensee and Firm):
47 Eric E. Ogden 7/15/97
48 THE RIFKEN GROUP, LTD. on _____
49 Date: 7/15/97 Time: 5:09 a.m./p.m. Joseph E. Ogden
50 _____ (Seller/Buyer)
51 _____

ATTACH THIS COUNTER-OFFER TO THE OFFER TO PURCHASE

Note: Provisions from a previous Counter-Offer may be included by reproduction of the entire provision or incorporation by reference. Provisions incorporated by reference may be indicated in the subsequent Counter-Offer by specifying the number of the provision or the lines containing the provision. In transactions involving more than one Counter-Offer, the Counter-Offer referred to should be clearly specified.



COUNTER-OFFER

The Offer to Purchase dated March 20, 1997, from The Gospel Lighthouse Pentecostal Church of God, Inc. for the purchase of real estate at 618 Sixth Street, Racine, Wisconsin, is countered. All terms and conditions to remain the same as stated on the Offer to Purchase except for the following:

1. Lines 8 & 9 PURCHASE PRICE is amended to be One Hundred Twenty-Five Thousand dollars (\$125,000.00).
2. Lines 29 & 30 BINDING ACCEPTENCE are amended to June 30, 1997.
3. Lines 241, 242 and 243 are amended to provide that the date of acceptance, within 10 days of which the seller must provide documents evidencing that the sale of the property has been properly authorized, is the date when all three required approvals of the sale are received by the buyer from the United States Department of Labor, the Wisconsin State Building Commission and the Wisconsin Legislature's Joint Committee on Finance.
4. Line 255 relating to ENVIRONMENTAL EVALUATION is amended to provide that any environmental inspection shall be at the buyer's expense.
5. Item 5, Seller Approvals in Addendum A to the original offer is deleted and Line 269 ADDITIONAL PROVISIONS is amended to add the following language:

CONDITIONS OF SALE: Once accepted by the State of Wisconsin, Department of Workforce Development, hereinafter referred to as the Department, this Offer To Purchase does not become final and the Department does not agree to sell and convey the property until this proposed sale is approved by the United States Department of Labor, the Wisconsin State Building Commission, and the Wisconsin Legislature's Joint Committee on Finance. Buyer may void this offer if such approval from the United States Department of Labor, the Wisconsin State Building Commission, and the Wisconsin Legislature's Joint Committee on Finance is not completed within 90 days from the date of this offer's acceptance by Buyer and the Department.

WB-43 AMENDMENT/NOTICE RELATING TO OFFER TO PURCHASE

PART 1: AMENDMENT TO OFFER TO PURCHASE

Caution: Use Part 1 If Both Parties Will Be Agreeing To An Amendment Of The Offer.

1 Buyer and Seller agree to amend the Offer to Purchase dated 3/20/97, and accepted N/A
2 for the purchase and sale of real estate at _____ as follows:

3
4 () Closing date is changed from _____ to _____
5 () Purchase price is changed from \$ _____ to \$ _____
6 () Occupancy date is changed from _____ to _____
7 () Occupancy charge is changed from \$ _____ to \$ _____

8 (X) Other:
9 1) The original offer was not accepted; The purpose of this amendment is
10 to change the date for binding acceptance found on line 30 of the original
11 offer from 4/14/97 to 6/12/97.
12
13
14

15 2) By signing below, the Seller is not accepting the offer to purchase
16 dated 3/20/97, but is agreeing to extend that offer through 6/09/97
17
18
19
20
21
22
23
24
25
26
27

28 ALL OTHER TERMS OF THE OFFER TO PURCHASE AND ANY PRIOR AMENDMENTS REMAIN THE SAME
29 This Amendment is binding upon Seller and Buyer only if a copy of the accepted Amendment is delivered to the Party proposing
30 the Amendment on or before _____ (Time is of the Essence).
31 Delivery of the accepted Amendment may be made in any manner specified in the Offer to Purchase, unless otherwise
32 provided in this Amendment. Note: The Party offering this Amendment may withdraw the offered Amendment prior to
33 acceptance and delivery as provided at lines 29 to 32.

34 Buyer: [Signature]
35 Signature ▲ Date ▲

Seller: _____
Signature ▲ Date ▲

36 Buyer: [Signature]
37 Signature ▲ Date ▲

Seller: _____
Signature ▲ Date ▲

NOTE: ATTACH THIS AMENDMENT TO THE OFFER TO PURCHASE.

PART 2: NOTICE RELATING TO OFFER TO PURCHASE

Caution: Use Part 2 If A Party Is Giving A Notice Which The Other Party Does Not Need To Approve.

41 This Notice by (Seller) (Buyer) STRIKE ONE relates to the Offer to Purchase dated _____, and
42 accepted _____, for the purchase and sale of real estate at _____

43
44 1. The following are no longer contingencies or conditions to the Offer to Purchase (supporting documents if required are
45 attached): _____
46
47
48
49
50

51 2. Notice is given that _____
52
53

Approved by Wisconsin Department of Regulation and Licensing
 11-1-95 (Optional Use Date)
 4-1-96 (Mandatory Use Date)

WB-15 COMMERCIAL OFFER TO PURCHASE

1 THE BROKER DRAFTING THIS OFFER ON March 20, 1997 [DATE] IS THE AGENT OF (SELLER) (BUYER) STRIKE AS APPLICABLE

2 GENERAL PROVISIONS

3 The Buyer The Gospel Lighthouse Pentecostal Church of God, Inc. offers to purchase the Property
 4 known as 618 Sixth St.
 5 in the City of Racine County of Racine Wisconsin
 6 (Additional description if any) N/A

8 **PURCHASE PRICE** One Hundred Twenty Thousand

9 **EARNEST MONEY** of \$5,000 in the form of N/A Dollars \$120,000.00
 10 \$5,000 in the form of check will be paid within 5 days of acceptance

12 **THE BALANCE OF PURCHASE PRICE** will be paid in cash or equivalent at closing unless otherwise provided below
 13 **ADDITIONAL ITEMS INCLUDED IN PURCHASE PRICE** Seller shall include in the purchase price and transfer, free and clear of encumbrances, all
 14 fixtures, as defined at lines 190 to 192 and as may be on the Property on the date of this Offer, unless excluded at lines 18-20 and the following additional
 15 items All building contents

17 property included in purchase price will be transferred by Bill of Sale or All personal

18 **ITEMS NOT INCLUDED IN THE PURCHASE PRICE** CAUTION: Address rented fixtures or trade fixtures owned by tenants, if applicable
 19 N/A; Buyer is purchasing the building and all contents

21 **PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that as of the date of acceptance Seller has no notice or knowledge of
 22 conditions affecting the Property or transaction (as defined at lines 159 to 178) other than those identified in Seller's disclosure report dated
 23 9/10/96 which was received by Buyer prior to Buyer signing this Offer COMPLETE DATE OR STRIKE AS APPLICABLE and
 24 none other: A copy of the Disclosure report is attached to this offer

25 **TIME** IS OF THE ESSENCE as to (1) earnest money payment(s); (2) binding acceptance; (3) occupancy; (4) date of closing
 26 STRIKE AS APPLICABLE and all other dates and deadlines in this Offer except N/A

28 ACCEPTANCE, DELIVERY AND RELATED PROVISIONS

29 **BIDDING ACCEPTANCE** This Offer is binding upon both parties only if a copy of the accepted Offer is delivered to Buyer on or before
 30 4/14/97 CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.

31 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Offer, delivery of documents and written notices to a party shall
 32 be effective only when accomplished in any of the following ways:

33 (1) By depositing the document or written notice postage or fees prepaid in the U.S. Mail or a commercial delivery system addressed to the party at
 34 Buyer 5540 Citation Lane, Racine, WI 53405

35 Seller c/o THE RIFKEN GROUP, LTD.; P.O. Box 2079; Madison, WI 53701-2079

36 (2) By giving the document or written notice personally to the party.

37 (3) By electronically transmitting the document or written notice to the following telephone number: Buyer (414) 681-9166

38 Seller (608) 258-4647 Any signed document transmitted by fax shall be considered an original document and shall have
 39 the binding and legal effect of an original document. The signature of any Party upon a faxed document shall be considered an original signature.

40 OCCUPANCY AND RELATED PROVISIONS

41 **OCCUPANCY of the Property**

42 shall be given to Buyer at time of closing unless otherwise agreed in writing.

43 **CAUTION** Consider an agreement which addresses responsibility for removal of personal property and debris prior to occupancy, if applicable.

44 **LEASED PROPERTY** If Property is currently leased and leases extend beyond closing, Seller shall assign Seller's rights under said lease(s) and
 45 transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the (written)-(oral) STRIKE ONE lease(s) if any are
 46 N/A; the Property is not leased

48 **RENTAL WEATHERIZATION** This transaction (is)-(is-not) STRIKE ONE exempt from State of Wisconsin Rental Weatherization Standards
 49 (RHR 67 Wisconsin Administrative Code) If not exempt-(Buyer)-(Seller) STRIKE ONE will be responsible for compliance, including all costs.

50 CLOSING AND RELATED PROVISIONS

51 **CLOSING** This transaction is to be closed at the place designated by Buyer's mortgagee or a title company.

52 no later than December 01, 97 unless another date or place is agreed to in writing.

53 **CLOSING PRORATIONS** The following items shall be prorated at closing: real estate taxes, rents, private and municipal charges, property owners'
 54 (vacation assessment, fuel and none other

55 Any income, taxes or expenses shall accrue to Seller, and be prorated, through the day prior to closing.
 56 The general real estate taxes shall be prorated based on (the net general real estate taxes for the current year if known otherwise on the net general real
 57 estate taxes for the preceding year) N/A

58 STRIKE AND COMPLETE AS APPLICABLE CAUTION: If Property has not been fully
 59 assessed for tax purposes (for example, recent land division or completed/pending reassessment) or if proration on the basis of net general real
 60 estate taxes is not acceptable (for example, changing mill rate), insert estimated annual tax or other basis for proration.

61 **SPECIAL ASSESSMENTS** Special assessments, if any, for work on site actually commenced or levied prior to date of this Offer shall be paid by Seller
 62 no later than closing. All other special assessments shall be paid by Buyer. CAUTION: See lines 194 to 196 regarding other expenses. Consider a
 63 special agreement regarding these expenses, if applicable.

64 **FORM OF TITLE EVIDENCE** Seller shall give evidence of title by-Seller's choice of-(1)-an abstract-of-title, or (2) an owner's policy of title insurance
 65 STRIKE AS APPLICABLE as further described at lines 141 to 153.

66 **CONVEYANCE OF TITLE** Upon payment of the purchase price, Seller shall convey the Property by warranty deed (or other conveyance as provided
 67 herein) free and clear of all liens and encumbrances except municipal and zoning ordinances and agreements entered under them, recorded easements
 68 or the distribution of utility and municipal services, recorded building and use restrictions and covenants, general taxes levied in the year of closing and
 69 Seller shall convey title via Quit Claim Deed

70 (provided none of the foregoing prohibit present use of the Property), which constitutes
 71 merchantable title for purposes of this transaction. Seller further agrees to complete and execute the documents necessary to record the conveyance.

72 ADDENDA TO OFFER

See line 288 to determine if addenda, riders or other documents have been made a part of this Offer.

215 PROPERTY DESCRIPTION: 619 Sixth St., Racine, WI page 4 of 4 - COMMERCIAL OFFER

220 **OPTIONAL PROVISIONS: THE PROVISIONS ON LINES 222 THROUGH 268 ARE A PART OF THIS OFFER IF MARKED,**
221 **SUCH AS WITH AN "X". THEY ARE NOT PART OF THIS OFFER IF MARKED N/A OR ARE LEFT BLANK.**

222 ☒ **FINANCING CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain CHECK APPLICABLE FINANCING BELOW

223 ☐ land contract financing from Seller at closing as further described at lines 212 to 218 and 226 to 240

224 ☒ conventional INSERT LOAN PROGRAM (Fixed/adjustable) STRIKE ONE

225 rate first mortgage loan commitment as further described at lines 202 to 211 and 226 to 236 within 60 days of acceptance of this Offer

226 The financing selected shall be in an amount of not less than \$120,000 for a term of not less than 20 years amortized over not

227 less than 20 years. If the purchase price under this Offer is modified, the financed amount unless otherwise provided shall be adjusted to the same

228 percentage of the purchase price as in this contingency and the monthly payments shall be adjusted as necessary to maintain the term and amortization

229 stated above. IF FINANCING IS FIXED RATE the annual rate of interest shall not exceed 8.000 % and monthly payments of principal and interest shall not

230 exceed \$1,003.73. IF FINANCING IS ADJUSTABLE RATE the initial annual interest rate shall not exceed %. The initial interest rate

231 shall be fixed for months, at which time the interest rate may be increased not more than % per year. The maximum interest rate during

232 the mortgage term shall not exceed %. Initial monthly payments of principal and interest shall not exceed \$ Monthly

233 payments of principal and interest may be adjusted to reflect interest changes. MONTHLY PAYMENTS MAY ALSO INCLUDE 1/12th of the estimated net

234 annual real estate taxes, hazard insurance premiums and private mortgage insurance premiums. The mortgage may not include a prepayment premium.

235 Buyer agrees to pay a loan fee in an amount not to exceed % of the loan. (Loan fee refers to discount points and/or loan origination fee, but DOES

236 NOT include Buyer's other closing costs.) IF FINANCING IS BY LAND CONTRACT interest rate following payment default shall be % the default

237 period shall be days for payments and days for performance of any other obligations. Interest shall be calculated on a

238 (prepaid) (postpaid) STRIKE ONE basis. The first payment shall be due . Any amount may be prepaid

239 on principal without penalty at any time. If the term of the land contract is shorter than the amortization period a balloon payment will be due at the end of

240 the term of the land contract. (Buyer) (Seller) STRIKE ONE shall be responsible for the preparation of the land contract, including all costs of preparation.

241 ☒ **DOCUMENT REVIEW CONTINGENCY:** This offer is contingent upon Seller delivering the following documents to Buyer within

242 days of acceptance CHECK THOSE THAT APPLY

243 ☒ Documents evidencing that the sale of the Property has been properly authorized, if Seller is a business entity

244 ☐ A complete inventory of all furniture, fixtures and equipment included in this transaction which is consistent with representations made

245 prior to and in this Offer

246 ☐ Uniform Commercial Code lien search as to the personal property included in the purchase price, showing the Property to be free and

247 clear of all liens other than liens to be released prior to or at closing

248 ☐ Other

249

250 This contingency shall be deemed satisfied unless Buyer, within 60 days of the earlier of receipt of the final record to be delivered or the deadline for

251 delivery of the documents, delivers to Seller a written notice indicating that this contingency has not been satisfied. The notice shall identify which

252 document(s) have not been timely delivered or do not meet the standard set forth for the document(s).

253 ☒ **ENVIRONMENTAL EVALUATION/INSPECTION CONTINGENCY:** This Offer is contingent upon CHECK THOSE THAT APPLY

254 ☒ A qualified independent environmental consultant of Buyer's choice conducting an environmental site assessment of the

255 Property (see lines 179 to 189) at (Buyer's) (Seller's) STRIKE ONE expense which discloses no defects. A defect is defined as a

256 material violation of any environmental law, a material contingent liability affecting the Property arising under any environmental law

257 the presence of an underground storage tank(s) or material levels of hazardous substances either on the Property or presenting a

258 significant risk of contaminating the Property due to future migration from other properties.

259 ☒ A qualified independent inspector of Buyer's choice conducting an inspection of the Property and none other

260 at (Buyer's) (Seller's) STRIKE ONE expense which discloses no defects. A defect

261 is defined as a structural, mechanical or other condition would have a significant adverse effect on the value of the Property, that would significantly

262 impair the health and safety of future occupants of the Property, or that if not repaired, removed or replaced would significantly shorten or have a

263 significantly adverse effect on the expected normal life of the Property.

264 This contingency shall be deemed satisfied unless Buyer, within 60 days of acceptance, delivers to Seller a copy of the environmental site

265 assessment/inspection report(s) and a written notice listing the defect(s) identified in the environmental site assessment/inspection report(s) to which Buyer

266 objects. Defects do not include conditions the nature and extent of which Buyer had actual knowledge or written notice before signing the Offer. Buyer agrees

267 to deliver a copy of the report and notice to listing broker if Property is listed, promptly upon delivery to Seller.

268 ☒ **ADDENDA:** The attached Addendum A: Disclosure Report is/are made part of this Offer.

269 **ADDITIONAL PROVISIONS:** In the event that the Buyer is unable to obtain financing as de-

270 scribed above or if Buyer is unsatisfied with the results of the environmental

271 evaluation or the property inspection, upon Buyer providing Seller with written notice

272 that any of these contingencies cannot be satisfied, the offer shall be null and void

273 and of no further effect whatsoever and Buyer's earnest money refunded.

274 IF ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD CAREFULLY READ THIS

275 DOCUMENT. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS OF THE OFFER BUT ARE PROHIBITED BY LAW FROM

276 GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS OFFER OR HOW TITLE SHOULD BE TAKEN AT CLOSING. AN

277 ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS REQUIRED.

278 This Offer was drafted on 3-20-97 (date) by THE RIFKEN GROUP, LTD.

279 Buyer: Joseph Lighthouse Pentecostal Church of God, Inc. (Licensee and Firm)

280 (Buyer's Signature) Raymond A. Christenson 390-58-4676 (Date)

281 (Buyer's Signature) Joseph C. Schimanski 399-522456 (Date)

282 (Buyer's Signature) Joseph C. Schimanski (Social Security No.) (Date)

283 **EARNEST MONEY RECEIPT:** Broker acknowledges receipt of earnest money as per line 10 of the above Offer.

284 **THE RIFKEN GROUP, LTD.** Broker (By)

285 SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER SURVIVE CLOSING AND THE

286 CONVEYANCE OF THE PROPERTY. THE UNDERSIGNED HEREBY AGREES TO CONVEY THE ABOVE-MENTIONED PROPERTY ON THE TERMS

287 AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OFFER.

288 (Seller's Signature) (Social Security No.) (Date)

289 (Seller's Signature) (Social Security No.) (Date)

290 (Seller's Signature) (Social Security No.) (Date)

291 This Offer was presented to Seller by on , 19 , at a.m./p.m.

292 THIS OFFER IS REJECTED (Seller's Signature) (Date)

293 THIS OFFER IS COUNTERED (See attached counter) (Seller's Signature) (Date)

Racine Reed Act Building
618 Sixth Street

File Ref: racdisc1.doc

Disclosures

September 10, 1996

1. The HVAC system was installed at the time of construction in 1960 and may need extensive repairs/replacement.
2. The roof has not been replaced since original construction in 1960.
3. Asbestos may be present on pipes and in floor tiles and/or floor tile mastic.
4. Independent electricians have advised the Department that some of the wiring to lighting fixtures is showing evidence of becoming brittle and have advised at if and when we replace any lighting fixtures that we should replace appropriate wiring.